

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 28, 2009

Maggie Chan
Pacific Gas and Electric Company
77 Beale Street
P. O. Box 770000
San Francisco, CA 94177

RE: Pacific Gas and Electric Company's Above-Market Funds Balance

Dear Ms. Chan:

On February 20, 2009, the Commission adopted Resolution E-4199, which set forth cost limitations for the investor-owned utilities and eligibility criteria and guidelines for approving requests for above-market funds (AMFs) of renewable energy contracts negotiated through a competitive solicitation. Based on the inputs for calculating the cost limitation as set forth in Public Utilities Code §399.15(d)(1), the Commission calculated and adopted PG&E's total AMFs to be \$381,969,452. The Resolution ordered each utility, within 30 days of the effective date of the resolution, to submit confidentially to the Energy Division Director an AMFs Calculator and all relevant documentation for each Commission-approved renewable energy contract and pending renewable energy contract with a contract price above the market price referent (MPR).¹

On April 16, 2009, PG&E timely submitted AMFs Calculators for eight Commission-approved AMF-eligible renewable energy contracts: GreenVolts, Cleantech/CalRenew, Hatchet Ridge Wind LLC, Horizon-Rattlesnake Road, OptiSolar – Topaz Solar Farm, SunPower – High Plains Ranch, Solel, and Sempra – El Dorado.

Based on Energy Division staff's review of the AMF Calculators for these contracts, PG&E's AMFs balance is zero. Pursuant to Public Utilities Code §399.15(d)(4), and subject to Commission approval, PG&E can still voluntarily procure eligible renewable energy resources above the MPR even though their cost limitation has been exhausted.

Sincerely,

A handwritten signature in dark ink, appearing to read "Julie A. Fitch".

Julie A. Fitch
Director, Energy Division

CC: R.06-02-012, R.08-08-009

¹ Ordering Paragraph 13